



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

April 21, 2005

IN REPLY PLEASE
REFER TO FILE: **PM-2**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**TORRANCE HEALTH CENTER
EARTHQUAKE RECOVERY PROJECT
REJECT ALL CONSTRUCTION BIDS
SPECS. 5651; LACO 0921 DSR 85036
SUPERVISORIAL DISTRICT 4
3 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT
YOUR BOARD:**

Reject all construction bids received on November 2, 2004, for the proposed earthquake repairs to the Torrance Health Center.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Torrance Health Center is a two-story, 11,448-square foot unreinforced masonry building constructed in 1932. The building has cracks around the exterior perimeter, exterior walls, and other damage as a result of the 1994 Northridge Earthquake. This project will repair earthquake-damaged walls, and comply with code requirements for the repair of unreinforced masonry bearing walls, the Federal Americans with Disabilities Act requirements, and Section 106 of the Historic Preservation Act.

On October 5, 2004, your Board adopted plans and specifications for this project and instructed the Executive Officer to advertise for construction bids to be received and opened on November 2, 2004. Three bids were received that are higher than the architect's/engineer's estimate by more than 16 percent.

Concurrent with the activity, the Alhambra Health Center, a similarly constructed building, was bid for similar repairs with an architect's estimate of \$1,846,000. The lowest bid received was \$1,370,000, which is substantially lower than the architect's estimate. Therefore, we recommend rejecting construction bids received for the Torrance Health Center repair project. To mitigate delays caused by this action and to meet FEMA's deadline, we plan to use a previously authorized Job Order Contract (JOC) to complete the project. We anticipate the use of JOC will result in faster procurement and could result in lower construction bids.

Implementation of Strategic Plan Goals

This action meets the County's Strategic Plan Goal of Service Excellence as it will improve the seismic performance of the facility and restore its use back to the community. Completing the Torrance Health Center building earthquake retrofit and repairs will give the public access to a safer building that can prevent injuries or loss of life from future seismic events.

FISCAL IMPACT/FINANCING

Public Works' fair construction cost estimate for the base construction contract is \$1,415,400. This does not include \$80,000 for four additive alternates.

A change order contingency fund, equal to approximately 15 percent of the estimated construction cost, and a market condition contingency of \$283,000 due to the current construction market volatility are included in the project budget. No expenditures from the fund will be made without the Chief Administrative Office's review and authorization.

Repair and retrofit of the facility is funded through the FEMA Grant Acceleration Program and net County cost commitment, as appropriate. Sufficient funds are available in the Federal and State Disaster Aid Budget to cover the total estimated project cost of \$2,660,000.

The Project Schedule and Budget Summary are included in Enclosure A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A standard Board-approved JOC will be used. The standard Board-directed clauses that provide for contract termination, renegotiation, and hiring qualified displaced County employees were included in the JOC.

The project specifications contain provisions requiring the contractor to report solicitations of improper consideration by County employees and allowing the County to terminate the contract if it is found that the contractor offered or gave improper consideration to County employees.

ENVIRONMENTAL DOCUMENTATION

On October 5, 2004, your Board found this project to be statutorily exempt pursuant to Public Resources Code Section 21172, which allows for the repair, maintenance, or minor alteration of existing public facilities or mechanical equipment or restoration of public facilities damaged as a result of a declared disaster. Under DSR 85036, FEMA has determined the project qualifies as a categorical exclusion under the National Environmental Policy Act in accordance with Part 10 of Title 44 of the Code of Federal Regulations.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

In anticipation of construction, the Department of Health Services' staff was relocated to 711 Del Amo Boulevard in the city of Torrance. The Torrance Health Center is currently vacant; therefore, there will be no impact on current County services during construction.

CONCLUSION

Please return one adopted copy of this letter to the CAO and Public Works.

Respectfully submitted,

DONALD L. WOLFE
Acting Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

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Enc. 2

cc: County Counsel
Department of Health Services
Department of Public Social Services (GAIN/GROW Program)

April 21, 2005

ENCLOSURE A

**TORRANCE HEALTH CENTER
EARTHQUAKE RECOVERY PROJECT
REJECT ALL CONSTRUCTION BIDS
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I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date
Project Program	12/12/01	
Design		
Contract Execution	03/25/02*	
Construction Document Submittal	10/12/02*	
Jurisdictional Approvals	12/10/02*	03/08/04*
Construction Bid and Award	12/07/04	05/10/05
Construction		
Start Construction	01/10/05	06/13/05
Substantial Completion	08/11/05	01/06/06
Acceptance	10/06/05	03/27/06

*Indicates completed activity

II. PROJECT BUDGET SUMMARY

Project Category	Project Budget
Land Acquisition	
Construction	
(a) Construction	\$ 1,415,400
(b) Market Condition Contingency (20 percent)	283,000
(c) Change Orders (15 percent)	<u>212,300</u>
Subtotal	\$ 1,910,700
Telephone Wiring	\$ 20,000
Consultant Services	
(a) Print/Blueprinting	\$ 10,000
(b) Legal/Advertising	<u>12,000</u>
Subtotal	\$ 22,000
Consultant Services	
(c) Design Services	\$ 165,250
(d) Construction Management	224,900
(e) Survey, Testing, & Inspection	<u>112,600</u>
Subtotal	\$ 502,750
Jurisdictional Review & Plan Check	\$ 4,750
County Services	\$ 199,800
Total	\$ 2,660,000

April 21, 2005

ENCLOSURE B

**TORRANCE HEALTH CENTER
EARTHQUAKE RECOVERY PROJECT
REJECT ALL CONSTRUCTION BIDS
SPECS. 5651; LACO 0921 DSR 85036**

The project will repair earthquake damage to the Torrance Health Center building. The project consists of seismic repair and structural strengthening to unreinforced masonry walls, other earthquake damage, installation of new seismic shear walls, painting, and accessibility features required by the Americans with Disabilities Act.

Bid Opening Date: November 2, 2004

Bid Summary:

<u>Bidder</u>	<u>Composite Bid</u>
Morillo Construction, Inc.	\$1,811,625
Tobo Construction, Inc.	\$2,250,725
Cal-City Construction	\$2,864,500

NOTES: The low bid was determined based on the combined sum of the base contract bid, all alternates, unit price amounts, and extended overhead rates.